

UPDATED INFORMATIVE DIGEST

Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012) replaces the Quarterly Reporting/Prospecting Budgeting (QR/PB) system with an Annual Reporting system in the California Work Opportunity and Responsibility to Kids (CalWORKs) program for certain CalWORKs child-only cases. These cases are those in which there is no eligible adult in the Assistance Unit (AU) and are referred to as Annual Reporting/Child Only (AR/CO) cases. CalWORKs is California's version of the federal Temporary Assistance for Needy Families (TANF) Program. The bill mandated that AR/CO be implemented October 1, 2012. This change reduces the reporting burden on recipients and reduces the administrative burden on county workers by only requiring one report per year during the annual redetermination.

The AR/CO provisions within this regulation package include a tandem format for the operation of Semi-Annual Reporting (SAR) and AR/CO. This is because the systems are parallel reporting systems and recipients may transition between SAR and AR/CO. Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations that are operative under Annual Reporting Child Only are labeled (AR/CO). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged.

In addition to the AR/CO provisions of SB 1041, this regulation package also includes the increase of the Earned Income Disregard (EID) from up to \$112 to up to \$225 of any unused amount of the \$225 Disability-Based Unearned Income (DBI) disregard plus 50 percent of the remaining earned income. SB 1041 mandated that the increase to the EID be implemented by October 1, 2013. The change allows CalWORKs recipients to retain an increased amount of earned income.

Assembly Bill (AB) 1094 (Chapter 554, Statutes of 2013) expands the definition of DBI to include Veterans Disability Compensation benefits as a new category. DBI is exempt from the calculation of the income of the AU not to exceed \$225. If DBI exceeds \$225, the additional amount will be counted dollar for dollar.

This regulation package also contains numerous clean-up and technical changes, including repealing outdated QR regulations, correcting outdated terms and references, and updating the Minimum Basic Standard of Adequate Care levels as of July 1, 2013 and Maximum Aid Payment levels as of March 1, 2014.

The benefits anticipated from this regulatory action include simplifying the reporting responsibilities for both CalWORKs recipients and county eligibility workers. In addition, this regulatory action will benefit families receiving CalWORKs by allowing them to utilize more of their income to better meet basic needs while becoming self-sufficient.

The Department considered other possible related regulations in this area, and we find that these are the only regulations dealing in this subject area (of CalWORKs reporting systems) and therefore, the Department finds that these proposed regulations are compatible and consistent with the intent of the Legislature in adopting SB 1041, AB 1094 and AB 85, as well as with existing state regulations.

The following forms are incorporated by reference. These forms are not printed in the CDSS Manual of Policies and Procedures because it would be cumbersome and impractical; however, they are readily available from CDSS:

AR 2 (11/13) – Reporting Changes for CalWORKs and CalFresh

AR 2 SAR (11/13) – Reporting Changes for CalWORKs and CalFresh

AR 3 (12/12) – Mid-Year Status Report for CalWORKs and CalFresh

CW 2211 (9/13) – Your CalWORKs Reporting Rules Have Changed

CW 2212 (9/13) – The Rules for Your CalWORKs Case Have Changed

TEMP AR 1 (2/13) – New Reporting Requirements for CalWORKs and CalFresh

These regulations were adopted on an emergency basis effective July 1, 2014 and readopted December 12, 2014. They were considered at the public hearing held on September 3, 2014, in Sacramento, California. There was testimony received during the 45-day comment period, however, such testimony is outside the scope of the regulations. There are no further changes to the regulations being proposed.

The CDSS did not renote these regulations because no changes requiring renote were made to the regulations following the public hearing.